



**WESTMINSTER SCHOOL
WESTMINSTER UNDER SCHOOL**

ANNUAL REPORT OF THE GOVERNORS
AND
FINANCIAL STATEMENTS
30 JUNE 2021



The Governors of Westminster School present their annual report under the Charities Act 2011 together with the audited financial statements for the year ended 30 June 2021 and confirm that the latter comply with the requirements of the Charities Act 2011 and the second edition of Charities SORP (FRS102) (2019).

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CHARITY REFERENCE AND BACKGROUND INFORMATION

Westminster School is registered with the Charity Commission under the name St Peter's College and charity number 312728.

The Scholarship and Bursary Fund of the School is a charity registered under charity number 1004363. The names of the Governors and executive officers and the principal addresses are listed on pages 18 and 19.

Particulars of the School's main professional advisers are given on page 19. The details of the subsidiary companies are shown on note 25 of the financial statements.

Westminster School comprises the Great School (senior school for boys aged 13 to 15 years and boys and girls aged 16 to 18 years) and the Under

School (a preparatory school for boys aged seven to 13 years).

Westminster's origins can be traced to a charity school established by the Benedictine monks of Westminster Abbey. Its continuous existence is certain from the fourteenth century. It looks to Elizabeth I as its Founder, who conferred Royal patronage in 1560.

Much of the Great School is located in a World Heritage Site adjacent to Westminster Abbey. In 1943, the Under School was founded.

The Great School and the Under School are registered separately as independent schools with the Department for Education.



**WESTMINSTER
SCHOOL**



**WESTMINSTER
UNDER SCHOOL**



MARK BATTEN OW CHAIR OF THE GOVERNING BODY



Westminster School's financial year spanning 2020 and 2021, is one that certainly will be remembered. This was a year peppered with uncertainty over lockdowns and restrictions; a year in which our two schools were both onsite and online.

Yet through the ongoing pandemic, Westminster continued to be Westminster, operating as fully as possible, achieving many successes.

This Annual Report is a necessarily technical document, but I hope that amongst the financial charts and lengthy text required under statute, you will get a good sense of the School that is 'Westminster', its resilience and sustainability both financially and operationally, and how that helps underpin the fundamental reason why we all pull in the same direction: to provide a transformational education for young men and women.

The School's Governing Body has been very active in this period and — mainly through Zoom — has assisted with the continued oversight of pandemic operations and regularly-changing guidance, as well as revision of our statutes and governance arrangements including the appointment of the first Clerk to the Governing Body, Dawn Turpin.

We have been pleased to welcome new members Dr Sarah Anderson, Jessica Cecil and Dr Tristram Hunt, and look forward to working with them very much. At the same time we thank outgoing Governors Prof John Marenbon and Prof Martyn Percy for their time, expertise and wisdom.

Dr David Hoyle, Dean of Westminster, stepped down as Chair of Governors in December 2020, a position I am privileged to have now been handed. I am pleased that David will remain an important and trusted voice around the table in addition to which he will continue to provide pastoral and spiritual support to the school.

Whilst this document looks at what has passed, it is difficult not to want to look ahead to what will come next.

Like other schools across the country, Westminster felt the pain of current and former pupils who, in the wake of movements related to Black Lives Matter and Everyone's Invited, shared their own deeply personal and difficult experiences. Much work has since been done by the School, and will culminate in the publication of two independent reviews commissioned by the Governing Body, which will lay out past failings and set a positive path for the future, both in terms of education and culture at Westminster.

Also in final draft is a new Strategic Vision paper covering all of the 2020s, and which looks to the work of both the Great School and Under School as a *Whole Charity*. Important strands focus on diversity of pupil and staff bodies, continuing to build a financially and environmentally sustainable business, development of a new curriculum and co-curriculum, and most importantly the expansion of the Charity's partnership work and social purpose. We also commit ourselves to looking carefully at the shape and structure of admissions to the School in the future.

Finally, I think it right to acknowledge all those who have worked tirelessly to make this extraordinary year work as well as it has. To my fellow Governors, Senior Management, teachers, support staff, pupils and parents: **thank you.**

DR GARY SAVAGE

HEAD MASTER, WESTMINSTER SCHOOL

Notwithstanding the enduring challenges of the Covid-19 pandemic and attendant periods of remote learning, pupils at Westminster continued to achieve remarkable things both inside and outside the classroom with the support and guidance of their teachers.

Whether onsite or online, the quality of teaching and learning remains second-to-none, developing genuine and authentic scholarship amongst the pupils which they enjoy both its own sake, and as a pathway to secure offers from some of the world's most prestigious universities. Pupils were also able to enjoy a fantastic range of academic societies, including via the new "Horizons" programme which seeks to bring together staff and students from schools and universities around the world to share ideas and discuss papers.

We are very proud of the fact that our distinctive academic culture of broad, deep engagement with

ideas (whether enshrined in texts, objects, observed phenomena or numbers) continues to be enjoyed and recognised.

Outside the classroom, pupils both enjoyed and achieved in a wide range of activities. In Rowing, for instance, pupils reached the finals in all championship age classes in the National Schools Regatta while the 1st VIII reached the semi-finals at Henley, and the 1st XI Cricket team won the London Schools U19 Cup for the sixth time in the past 13 years. In Drama, pupils performed our very first all-female show, *Emilia* by Morgan Lloyd Malcolm, beneath the walls of Westminster Abbey. In Music, for Remove pupils deprived of performing opportunities because of the pandemic, we arranged a day of professional video and audio recordings of concerto movements with a professional orchestra at St John's Smith Square. Covid-19 notwithstanding, we still managed to send the entire Lower School on expeditions across the UK, including rowing from Richmond to Oxford and surfing in Polzeath. These outstanding and enriching ventures outside London were enjoyed by everyone.

Some of these activities included pupils from our partner school, Harris Westminster Sixth Form, while our Platform programmes continued to create opportunities for boys and girls from a range of local state schools to build on their enthusiasm for learning via voluntary sessions at Westminster. Looking ahead, we plan to extend initiatives like these, and increase opportunities for access to a Westminster education both onsite and online for as diverse a group of pupils as possible, both locally and globally. We want to make a positive contribution to educational outcomes for as many children as possible, while recognising that we too have much to learn from others. That sense of the importance of informed and open-minded dialogue and a sincere desire to ask, learn and share, is at the heart of what Westminster stands for, now and in the future.

Floreat!



KATE JEFFERSON

MASTER, WESTMINSTER UNDER SCHOOL

2021 was a challenging, yet remarkable, year.

Play Term began with the retirement of Mark O'Donnell, on grounds of ill health, after four years of outstanding leadership at the School. Steve Bailey was parachuted into the interim role and quickly ensured the continued smooth running of the School. I would like to thank Dr Bailey for his excellent stewardship and calm, reassuring manner, which permeated the community.

Westminster Under School lived up to its reputation for excellence throughout the pandemic. Organisation was highly effective, with boys adapting well to bubbles, separate entrances and one-way systems. January 2021's lockdown saw staff across the School once again act quickly to move learning online, with little disruption.

Substantial changes to Year 8 saw the removal of the Common Entrance exams, allowing us to develop an increasingly diverse and challenging curriculum, and to remove the binary division between the CE and Scholarship classes. The change has resulted in higher levels of aspiration and self-esteem amongst our pupils.

The Year 8 cohort achieved outstanding results for entry to both Westminster and Eton via the scholarship route. Following The Challenge, boys were awarded five of the eight Queen's Scholarships, two honorary scholarships and three exhibitions.

Despite the pandemic, applications to the Under School remained strong, both in number and quality. Platform, our programme to support pupils from disadvantaged backgrounds with academic ambition, continued remotely with high levels of engagement, and one candidate achieved a place in Year 7.

Creative projects, such as the 12 Days of Christmas virtual performances, meant that Enterprise activities raised extraordinary amounts for our chosen charities. Our extra-curricular programme adapted and flourished.

Boys achieved unprecedented success in the Townsend-Warner History Competition, with 41 achieving places in the top 250. Clubs and sports were enjoyed in bubbles and online. When restrictions eased, the boys enjoyed a packed 'Activities Week,' filled with trips and experiences to replace those they had missed. A rich assembly programme celebrated national initiatives such as Anti-Bullying Week and Black History Month, during which pupils across the year groups presented assemblies and ran workshops. To mark Children's Mental Health week, which fell in during lockdown, we had an Offline Wellbeing Day where we used our time to explore the theme of 'expressing ourselves.'

Westminster Under School achieves what it does through the outstanding dedication of its staff, who have come into their own over the last year. I would like to thank the whole community for their sterling effort and resilience in very challenging circumstances.



OBJECT, AIMS, OBJECTIVES AND ACTIVITIES

CHARITABLE OBJECT

Westminster School was first established as a charity school for young persons. The current aims of the School encompass this object and have been developed over a number of years to include girls, both boarding and day, and also day boys, and to meet the demands of modern society as described below.

AIMS

The fundamental strategic aim is to ensure that Westminster (both Great School and Under School) maintains its pre-eminent academic standards in external public examinations and independently verified value-added criteria, with academic achievements being balanced by a strong emphasis on pupils' development pastorally and on their artistic, sporting and social skills.

As an independent boarding and day school, operating largely within a World Heritage Site, Westminster School aims to provide a broadly based primary and secondary education of the highest standard. The School provides — in both depth and breadth — academic development in many areas of the humanities, arts and sciences that involves pupils in our nation's culture and heritage, matching the best of the past with the excitement and challenge of the present and future. It also aims to provide excellence in sporting and extra-curricular activities, notably in art, music, drama and in wider social skills.

The School aspires to be a stable and enriching community which brings to everyday life a sense of the spirituality inherent in religion and its practice. It aims to encourage individuality and to develop talent wherever it may be found, such that pupils can fulfil their full potential, build self-confidence and nurture a desire to serve or contribute to the wider community.

The School educates boys from the age of seven to 13 at the Under School, and from 13 to 18 at the Great School. Girls and boys aged between 16 and 18 are admitted for education in the Sixth Form.



The Great School comprises six boarding houses and five day-houses with boarding facilities available for both boys and girls. Until age 13, the curriculum is directed in particular towards the Great School's Challenge, as well the demands of the Common Entrance (CE) Examination and other independent schools' scholarship examinations. In September 2018 the School decided that from September 2021 the 13+ entry to both schools will not be conditional upon passing the CE examination. For pupils aged 13 to 16, the curriculum is directed towards GCSEs and IGCSEs, although study is not limited to the exams' curricula but ranges more broadly and deeply within each subject. For those aged between 16 and 18, the curriculum is directed towards Advanced Level and Cambridge Pre-U examinations, the latter the School is looking to replace in the future, in preparation for university entrance, supported by a broadening non-specialist programme of lectures and personal study.

Admission to the School is open to applicants who are able to meet the examination and interview criteria devised to ascertain which applicants would benefit most from a Westminster education.

A flexible structure of bursary provision up to 100% of the fees provides financial support to families unable to fund the School fees in whole or part from 11+ onwards. The School actively seeks out and encourages pupils who have the academic potential to benefit from a Westminster education, but whose financial circumstances would otherwise put the School out of their reach.

OBJECTIVES FOR THE YEAR

The year's objectives derive from the development plans for each of the Great School and Under School which were reviewed and endorsed by the Governing Body in 2016 (refreshed in 2018) and which cover the five years to 2021. The plans focus on the School's academic, pastoral and boarding provision, pupil numbers, staff remuneration, public benefit and bursary provision, civic engagement, and estate development. These are in addition to the overriding objectives of maintaining the School's pre-eminent academic position and widening access to the School to the greatest extent possible.

THE PRINCIPAL OBJECTIVES FOR THE YEAR WERE PLANNED AND ACHIEVED AS FOLLOWS:

To continue to manage the response to the emerging issues from the Covid-19 pandemic following closure of the School's site in March 2020 and the transfer to online learning for the remainder of Lent Term, Election Term and beyond	School operated throughout, either online or in person during the year with a further period of remote learning in Lent Term 2021 with innovative formats of learning based on the previous lockdowns
To pass successfully the planned Independent Schools Inspectorate (ISI) of the Under School, expected in Play Term 2021	The Under School passed its ISI inspection in Play Term 2021, delayed from Lent Term 2020
To develop the Year 5 and Year 6 Academic Enrichment Programme (re-branded as Platform) for boys and girls from 30 inner-London primary school pupils at Westminster Under School	Westminster's Platform academic enrichment programme has been well attended with 44 pupils attending online for up to ten days throughout the year, staffed by Under School teachers
To expand the 16+ Platform programme to include liberal arts, which commenced in January 2020	Platform+ for 42 Year 10 students from 17 maintained schools, either in STEM or liberal arts and humanities, was run online during lockdowns
To continue to collaborate with the Harris Federation on the Harris Westminster Sixth Form (HWSF) by providing academic support to department Heads and in curriculum development	Academic support to department Heads and curriculum development continued online during lockdowns. HWSF's sixth form cohort achieved excellent A Level results, gaining 28 places at Oxbridge, in addition to many more at Russell Group universities
To continue the Ben Jonson Foundation for the provision of bursary funds to pupils	The Ben Jonson Foundation (set up in March 2019) has now secured £4.1m (including pledges)
Through its trading subsidiary FOHL, progress the curriculum development, recruitment and advice on building works to support the School's Hong Kong based partner in the development of its first school in Chengdu, China, planned to open in 2021	On 18 October 2021 FOHL terminated its agreements with its counterpart in Hong Kong and will cease providing educational services from this date. Following this decision, the Board intend to wind the company up as a solvent liquidation; this is explained further in Note 24
To progress and finalise projects, review plans and prioritise future School redevelopment projects	The new Head Master and Master have developed a Strategic Vision in consultation with the Governing Body which outlines key priorities to 2030 to inform the School Improvement Plan
To secure an 11+ cohort of pupils as part of a diverse mix of entry points to Westminster	The number of applicants for 11+ has increased significantly as a result of the 13+ place assurance

PRINCIPAL ACTIVITIES OF THE PERIOD

In 2020/21 the Great School provided education to 757 pupils (2019/20: 759) of whom 182 were boarders (2019/20: 179). The number of pupils educated at the Under School was 300 (2019/20: 280). As a result of its success in maintaining high academic standards combined with its location in central London, applications for places continued greatly to exceed available capacity by between 5:1 and 11:1 depending upon the entry point.

GRANT-MAKING POLICY

The Governors are obliged under the Statutes to award eight academic scholarships each year on the basis of The Challenge at 13+ to boys, and four academic scholarships each year at 16+ to girls. In addition, up to ten music scholarships may be awarded annually to pupils (joining the Great School at 13+ and up to four at 16+) who demonstrate an exceptional ability following audition. Up to three music scholarships may also be awarded annually at 11+ in the Under School. In total, therefore, there are presently 49 academic and 27 music scholarships at the Great School and nine music scholarships at the Under School.

Where it is judged that the parents of an eligible pupil would not be able to pay some or all of the fees, the Governing Body is determined that these pupils should not be denied the opportunity to come to Westminster, but should be given the necessary bursary support.

A detailed financial assessment is made by the Bursar using a pro-forma recommended by the Independent Schools Council, with awards made by the Head Master and Master on the basis of need, as advised by the Bursar.

Bursaries may cover up to 100% of the core fee costs and essential additional expenses during a pupil's time from age 11. Subject to any particular conditions imposed by original donors, awards of bursaries and other concessions are funded from a variety of sources including both endowment and unrestricted funds as well as external sources. The School launched a major expansion to bursary funding including a bursary campaign in October 2018. The funds raised amounted to £7.8m in total including pledges. The Ben Jonson Foundation, an endowment fund established in March 2019, has not yet drawn down any grants.



The School launched the George Herbert Fund (GHF) in 2020 to assist those existing parents whose ability to meet the School fees without significant hardship has been affected by the Covid-19 pandemic. Donations received during the financial year amounted to £213k, and were supplemented with a further £251k provided by the School. Grants (which have all been means-tested) of £330k have been awarded in the year. It is anticipated that the demand on GHF will continue in the forthcoming financial year.



PUBLIC BENEFIT AND COMMUNITY ENGAGEMENT

The School continues to contribute in a number of ways to the public benefit whilst meeting its charitable object. The Governing Body has due regard to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011.

WIDENING ACCESS AND BURSARIES

In 2020/21, a total of 155 pupils in both schools, entry to which is based solely on academic performance and interview, benefited from academic/music scholarships and/or bursaries. Excluding concessions to seven children of the teaching staff, 55 bursaries were awarded in 2020/21 which were financed by the School or by benefactors, such as the Westminster School Society, or individual donors, most of whom have long-standing connections to the School. Of those receiving bursary support, 37 pupils received 100% remission, 13 received between 50% and 100% and five received up to 50%.

In addition, the School continued to work with charitable educational trusts, individuals and other organisations with whom it has close links to raise charitable funds for pupils; this was then matched or further supplemented as necessary by the School from its own bursary funds. Excluding staff concessions, 4.5% of total fee income (£1.38m) was applied toward bursaries and 3.5% of total fee income (£0.94m), for scholarships (of which £0.87m was funded from grants and external sources). The Deputy Head (Boarding and Educational Partnerships) is strengthening existing relationships to seek out additional collaborations with local organisations from which pupils may benefit from the School's education.

COLLABORATION WITH MAINTAINED SCHOOLS

Sharing knowledge, skills, expertise, experience

Although the restrictions imposed by the pandemic on physical interaction made collaboration between staff and pupils at Harris Westminster Sixth Form (HWSF) more difficult during the last 18 months, we continued to share INSET training meetings online and to liaise regularly on the implications of exam board and government guidance during Covid-19.

From Play Term 2021, the senior teams (SMC/SLT), pupil heads of both schools and the Senate/Monitors have all enjoyed meeting in person, once again, to discuss and set up the following:

- Teaching support at HWSF (in Physics, French and Spanish)
- Liaison on new examination specifications (Head of Departments) and on programmes for contingency assessment (SMC/SLT)
- Collaboration in music, sport and drama (including a shared production at the

- Royal Court and sports fixtures) and collaboration of student societies
- Invitations to lectures by visiting speakers, careers events, and seminars, including the Horizons programme
- Mutual opportunities for professional development, including observation for new teachers at the other school and a shared programme for Early Career Teachers
- Discussion of pedagogical practice

The Head Master, an ex officio governor of HWSF, continues to meet regularly with its Principal. One governor, John Colenutt, is ex officio a member and Chair of the Governing Body of HWSF.

Civic engagement

The School's large civic engagement programme has, pre-pandemic, involved up to 250 pupils engaging in volunteering. Placements are starting to return to those levels with a range of new opportunities emerging. Many of the placements are in primary schools where our pupils are helping out as classroom assistants and working in

breakfast and after school clubs. A few of our pupil volunteers help out with the elderly and working with two local organisations 30 pupils wrote weekly letters to older people during the pandemic. Hospital volunteering is currently suspended. Pupils also act as academic peer mentors to a number of pupils of similar age in a number of youth organisations.

Lessons and educational events

HWSF and Grey Coat Hospital (GCH) pupils taking subjects at Westminster School 2021-22:

Subject	Y12 (no)	Y13 (no)
Music	0	2
German	3	3
Latin	1	3
Drama and Theatre Studies	6	3
Art History	1	1

From September 2021, we plan to include Russian in the list of courses to pupils at HWSF and GCH.

Westminster Phab

The Westminster Phab (Physically Handicapped and Able Bodied) week which is aligned to the UK national Phab week www.phab.org.uk (Charity number 283931) is usually held annually in July. Unfortunately due to the pandemic, it was not possible to host this event in July 2020 or in July 2021. Approximately 40 pupils from the Sixth Form and Remove volunteered to live in a boarding house alongside a number of young men and women, all of whom are physically and/or mentally disadvantaged. Many are wheelchair users whilst a few need help in virtually every area of their daily lives. For some of the guests, their carers and families, the week at Westminster represents the only holiday in the year and provides an opportunity to meet new people, try different activities, learn new skills (e.g. art, music, filming, drama and dance), and explore London.

For the pupils it is an enormously enriching experience which broadens their understanding of those with disabilities and of their own abilities to make a meaningful contribution to the lives of the less fortunate. The week is free to both hosts and guests but, to sustain this, funds are raised throughout the year at events such as the "September Saturday" charity day and in other initiatives from the pupils. In September 2021 £17k



was raised for Phab by the pupils and parents. It is hoped that Westminster Phab will take place in July 2022.

Participation in charitable work and volunteers

Westminster School supported numerous charitable activities benefiting old and young people in London and further afield. The civic engagement and volunteering programmes remain an essential part of the wider curriculum through which pupils engage with the Westminster community and learn valuable lessons in the process. Last year pupils were engaged in volunteering activities with primary schools, hospital foundations, youth organisations, homes for the elderly and a number of other local organisations online.

To supplement the School's growing number of activities, in excess of £26k was raised by pupils, staff and parents for charitable causes, including £18k from the Under School. Former pupils from Westminster School and parents have volunteered in fundraising activities and cultural activities during the year, which has been much appreciated, as has the time contributed by those co-opted to organising Committees.

Westminster Platform

The Westminster Platform is continuing the development of the academic outreach programme which continued online despite the pandemic disruption. In 2020/21 44 Year 5 primary school pupils from around 30 inner city primary schools located mainly in South London took part. The boys and girls have been identified by their Head teachers as having high academic potential. They attended a full online programme over ten Saturday mornings.

These included classes in maths and English lessons and other enrichment classes delivered by Under School teaching staff. The programme stretches across a full year. Some pupils will sit the Under School 11+ entrance exam and, if successful, will receive a bursary according to need. Some may also sit entrance tests for other selective schools in the maintained and independent sectors. Three Platform pupils won places at the Under School from September 2018, two of whom receive full bursaries.

Platform+ was started as a pilot in January 2019 in partnership with Generating Genius, an organisation dedicated to raising the next

generation of STEM leaders. This has a similar outline to Platform designed for Year 10 pupils in the maintained sector. There are two strands which pupils choose – either STEM or liberal arts and humanities. In 2021 42 pupils were involved in the Platform+ programme recruited from 17 schools in the maintained sector and equally distributed across the two strands. The main programme was delivered online due to the pandemic and in September 2021 we were delighted to welcome pupils into School for the final few sessions. Lessons are all taught by Westminster staff in their free periods. An additional three pupils from the 2019/20 programme joined the Sixth Form in September 2021 on full bursaries.

Use of facilities

The School's facilities continued to be used by a range of third parties. Two local primary schools used the School playing fields at Vincent Square for their sports days at no cost and two used the Sports Centre for classes each week at no cost (slots were offered to nine local primary schools).

The School hosts an astronomy option for pupils from local primary schools on a Friday evening in the School observatory.



University preparation

The Director Teaching and Learning continues to work with the Director of Outreach and Widening Access to organise a programme of support and mock interviews for pupils at local state schools who are applying to Oxford, Cambridge and leading universities which select by assessment test and interview. This includes HWSF, GCH, Pimlico Academy and Westminster City School, in addition to our Platform+ and Platform Higher Education partners. Of the sixth form cohort of leavers from HWSF in July 2021, 28 secured places at Oxford and Cambridge and many others went on to top universities.

Linacre Trust

The sixth Linacre Residential Summer School was hosted by the School in Weston's and two boarding houses in July 2019; this involved hosting 30 students from maintained schools in the North of England. However, due to the pandemic this did not take place in either summer 2020 nor 2021. The students typically come from schools in the bottom 20% in the country for access to elite universities and all were from schools which are in the top 10% in the UK index of multiple deprivation. It is hoped that this partnership will be re-established in future years.

ACADEMIC SUCCESSES

As in 2020, public examinations in 2021 were cancelled due to Covid-19 and pupils awarded grades according to Teacher Assessed Grades. Results were outstanding at both (I)GCSE and at A Level and Pre-U, in line with Westminster's tradition of preparing pupils for the Sixth Form and then entry into some of the world's most competitive universities.

Of the 2021 leavers, 168 were accepted into their firm UCAS choice of university, including 45 at Oxford, 30 at Cambridge, 27 at UCL, 22 at Imperial and 12 at Durham. Ten pupils were successful at their insurance choice and two pupils gained places through Clearing. Of those not going on to further study in the UK, 21 pupils took up places at US universities, including Berkeley, Brown,

Chicago, Columbia, Dartmouth, Duke, Georgetown, Harvard, Johns Hopkins, NYU, Princeton, UCLA, UPenn, Stanford and Yale. One pupil took up a place at Bocconi, Italy and one at TCD, Ireland. The remaining pupils are taking a gap year and applying to university for 2022 Entry with the continued support and guidance of the School. For 2022 Entry, there have been 14 Early Decision offers made in the US early decision round, and 82 Oxbridge offers/places made.

In addition to sending pupils to the Great School, the Under School ensured that all pupils were able to take up their first choice places at other senior schools. Of particular note, the Under School secured five competitive academic Queen's Scholarships to the Great School.

ENVIRONMENTAL, SOCIAL, CORPORATE GOVERNANCE (ESG)

The sustainability of both schools as a whole Charity will remain of key strategic importance going forward. The new Strategic Vision (to be finalised in 2022) includes a component dedicated to building a financially and environmentally sustainable business, as well as significant commitments to increasing the diversity of pupils and staff, embedding a culture of equality, diversity and inclusion, and expanding the whole Charity's public benefit and partnership work.

Specifically in relation to the environment, work will

focus on reducing the environmental impact of the School's activities, establishing key baseline data on the carbon footprint, conducting an audit in areas including waste / recycling, use of paper and school transport, and ensuring ESG becomes an integral part of all future project planning.

The School has long maintained strong corporate governance, with environmental and social impact and equality, diversity and inclusion equally important within the organisation, reflected in the strategy and discussed by the Governing Body.



FUTURE PLANS

The Development Plan adopted by the Governing Body in March 2016 was refreshed in November 2018. A new Strategic Vision will be published in 2022. The key components of that vision are as follows:

- To explore the shape and structure of future admissions to the School
- Expand Westminster Under School to include an infants' department
- Identify, recruit and resource a more diverse pupil and staff body
- Embed a culture of equality, diversity and inclusion
- Develop a revised curriculum and co-curriculum
- Improve excellence in teaching and learning outcomes for all
- Expand the impact of partnership work, locally and globally
- Build a sustainable business: financially, environmentally, digitally



In addition to the Development Plan and Strategic Vision, the School has overriding objectives to help maintain its pre-eminent academic position, to widen access to the School to the greatest extent possible, and to enable every pupil in School to flourish.

The following key objectives have therefore been set for the coming year:

To continue to manage actively the response to the emerging issues from the Covid-19 pandemic following closure of the School's site in the Lent term 2021 and responding to Government guidance as it emerges	To commission independent reviews into racism (following Black Lives Matter) and harmful sexual behaviours (following Everyone's Invited) and implement their recommendations within a wider Equality, Diversity and Inclusion strategy
To continue the 16+ PLATFORM programme including STEM and liberal arts streams and develop Platform Higher Education	To continue to raise funds for the Ben Jonson Foundation for the provision of bursary funded pupils
To continue to collaborate with the Harris Federation on the Harris Westminster Sixth Form by providing academic support to department Heads and in curriculum development	To progress and finalise projects, review plans and then prioritise future School re-development projects
To develop the Year 5 and Year 6 Academic Enrichment Programme, Platform, for over 40 primary school pupils at Westminster Under School	To develop a medium term whole school strategy led by the Head Master and Master of the Under School
To continue to assess the effect on admissions following the decision of the School that from September 2021 the 13+ entry to the School will not be conditional upon passing the CE examination	

AUDITORS

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

GOVERNORS AND CHARITY TRUSTEES

The Governors of Westminster School are also the Charity Trustees. The following have served as Governors throughout the year and up to the signing of the accounts, except where indicated:

Appointed

Mark Batten (Chair)
Executive Chair until 2 December 2020
Chair from 3 December 2020

Dr Sarah Anderson *
Appointed from 25 August 2020

Michael Baughan

Nabeel Bhanji
Appointed from 20 April 2021

Edward Cartwright *

Jessica Cecil
Appointed from 20 April 2021

Dr Priscilla Chadwick

John Colenutt

Prof Maggie Dallman *

Ina De

Dr Tristram Hunt
Appointed from 20 April 2021

Dame Judith Mayhew Jonas *

Richard Neville-Rolfe

Joanna Reesby *

Vicky Tuck

* Link Governors

Safeguarding Governor - Dr Sarah Anderson

Health & Safety Governor - Edward Cartwright

Equality, Diversity and Inclusion Governor – Prof Maggie Dallman

SEND Governor - Dame Judith Mayhew Jonas

Under School Governor - Joanna Reesby

Ex Officio / Nominated

Dr David Hoyle, Dean of Westminster
Chair until 2 December 2020
ex officio Governor from 3 December 2020

Emily Reid, nominated by the Common Room

David Stanton, nominated by the Abbey

Prof John Marenbon, nominated by Trinity College,
Cambridge, *Resigned 2 December 2020*

Prof Martyn Percy, nominated by Christ Church,
Oxford, *Resigned 3 December 2020*

OFFICERS APPOINTED BY THE GOVERNING BODY

Head Master	Dr Gary Savage	Bursar	Martin Walsh
Master of the Under School	Kate Jefferson	Clerk to the Governing Body	Dawn Turpin
The Under Master	James Kazi		

Dr Gary Savage was appointed as Head Master following the retirement in August 2020 of Patrick Derham after six years' service. Kate Jefferson was appointed as Master following Mark O'Donnell's resignation in October 2020 and Dr Bailey's cover ending in August 2021. In October 2020 the role of Secretary to the Governing Body was transferred from the Bursar to Dawn Turpin, who was appointed as Clerk to the Governing Body.

PRINCIPAL ADDRESSES

Westminster School

Little Dean's Yard
London SW1P 3PF

www.westminster.org.uk

Westminster Under school

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STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENTS

The Governing Documents comprise the Statutes made under The Public Schools Act of 1868. The Statutes have been revised during the year with substantive changes relating to the appointment and constitution of the Governing Body in line with current best practice and simplification and modernisation of the clauses, in particular those that govern the powers of the Governing Body in relation to the School. The revised Statutes were approved by order of the Privy Council in September 2021. The new Statutes are supported by a Governance Manual setting out the administrative provisions relating to the Governing Body allowing greater flexibility in updating them to ensure they are always fit for purpose.

Under the Public Schools Act 1868, any Governing Body established for Westminster School shall be a Body Corporate with perpetual succession and a common seal and empowered to hold land for the purposes of the School. Most of the School's property is owned either freehold or long leasehold. Under the Public Schools Act 1868, some properties would revert to the Church Commissioners in the event of the School moving out of the City of Westminster.

GOVERNING BODY

The Governing Body is responsible for the Great School and the Under School. Under the revised Statutes the Governing Body consists of the following:

- The Dean of Westminster ex officio
- The Common Room Governor and Abbey Governor, nominated by the respective bodies
- Other persons appointed by the Governing Body in accordance with the procedures determined by the Governing Body

The Dean of Westminster no longer acts as ex officio Chair of the Governing Body but is an ex officio governor with a number of ceremonial, pastoral and spiritual roles set out in the Governance Manual, including acting as the de facto senior independent governor. The Chair is

appointed by the governors from amongst their number; the Common Room and Abbey governors may not be Chair. The minimum number of governors is nine, the maximum number of governors is determined by the Governing Body from time to time. Governors are appointed for an initial term of five years and are then eligible for re-appointment for a further term of five years subject to review by the Governance and Nominations Committee. A governor may be appointed for a third term of up to five years in exceptional circumstances and subject to the unanimous agreement of the Governing Body. The current composition of the Governing Body is in transition with three governors who have served more than the maximum 15 years due to retire over the next two years.

An assessment of the School's governance practices against the principles within the revised Charity Governance Code 2020 was undertaken during the year. Some further areas for enhancement were identified and are in the process of being implemented. The effectiveness of the Governing Body and its committees is reviewed annually, and individual reviews are also undertaken by the Chair with each governor annually.

APPOINTMENT AND DEVELOPMENT OF GOVERNORS

Apart from the governors appointed ex officio or otherwise nominated by the Common Room and the Abbey, new governors are recommended for appointment to the Governing Body by the Governance and Nominations Committee. Recommendations on the appointment of new Governors are supported by a curriculum vitae and a meeting between prospective governors, the Governance and Nominations Committee and the Heads. A skills matrix maintained by the Clerk to the Governing Body to assist with achieving a requisite mix of skills, knowledge, experience and diversity of the Governing Body and its committees, is referred to.

Prior to joining, new governors undergo an enhanced DBS check as part of ensuring the

safety and wellbeing of the pupils in the School. On joining, governors undertake an induction programme arranged by the Clerk to the Governing Body including meetings with the Chair, the Head Master, Master, Bursar and senior management teams in both schools. Governors are also provided with resources and documentation to support them in their role. They are given a safeguarding brief by the Great School's Designated Safeguarding Lead.

General development, which is available through the Association of Governing Bodies of Independent Schools (AGBIS), is offered to Governors and is attended as commitments allow. Each meeting of the Governing Body is preceded by a development session including an annual update on Safeguarding. The Safeguarding Link Governor undertakes additional child protection training provided by the NSPCC. A programme of Governor visits to the schools is overseen by the Clerk to the Governing Body.

The Governors have professional indemnity and directors' and officers' liability insurance cover of £5m within the School's insurance cover.

GOVERNING BODY COMMITTEES

The Governors, as the charity trustees, are legally responsible for the overall management and control of both the Great School and the Under School and meet in full session at least three times a year. The Governing Body delegates responsibilities to the following Committees that also meet three times a year except as noted otherwise:

The Audit, Risk and Compliance Committee met for the first time in 2021. It oversees the annual audit, risk management arrangements and compliance of the School with its policies. It reviews and recommends the Annual Report and Financial Statements to the Governing Body.

The Education Committee meets to scrutinise academic, pastoral and co-curricular matters including safeguarding, pupil wellbeing, boarding and Special Educational Needs and Disability (SEND).

The Finance & General Purposes Committee is responsible for financial planning and strategy including the School's funding arrangements, management of the School's reserves, income and expenditure budgets and monitoring performance in relation to these.

The Archives Sub-Committee meets twice each year to consider matters relating to the School's collection of historical records, document management and data protection. Its advice and recommendations are reported to the Governing Body through the Finance & General Purposes Committee.

The Estates Sub-Committee considers all matters relating to the School's estate including maintenance and construction projects. Their advice and recommendations are reported to the Governing Body through the Finance & General Purposes Committee.

The Governance and Nominations Committee had its remit extended during the year to include responsibility for reviewing the effectiveness of the School's governance framework as well as considering and recommending the appointment of potential new Governors and co-opted committee members.

The Investment Committee monitors the performance of the investment managers and makes recommendations on investment strategy. Their advice and recommendations are reported to the Governing Body through the Finance & General Purposes Committee.

The Overseas Committee meets as required to discuss potential opportunities in the international school arena and oversees development plans for the Governing Body and directors of the trading subsidiary, Floreat Overseas Holdings Limited, to consider.

The Remuneration Committee met for the first time in 2021 and meets annually to review the remuneration of the senior staff appointed by the Governing Body and to recommend remuneration proposals to the Governing Body.

The committees meet before and report through to the Governing Body. During the year the Under

School Committee was disestablished and the role of Link Governor for the Under School introduced. The Under School Link Governor sits on a number of committees and is responsible for ensuring a better understanding by the Governing Body of matters specifically related to the Under School. Membership of each committee is set out below. Some committees have co-opted members to ensure that additional expert advice is available to

Governors on these committees. In addition, the Westminster School Retirement Benefits Scheme Board of Trustees meets formally at least once each year to exercise their trusteeship of the School's Defined Benefit closed pension scheme for Administration and Support staff. The School subsequently provides a Defined Contribution Scheme also.

COMMITTEE MEMBERSHIP

Audit, Risk and Compliance <i>Established December 2020</i>	<i>Chair:</i> John Colenutt <i>Governors:</i> Edward Cartwright, Emily Reid, David Stanton
Education	<i>Chair:</i> Dr Priscilla Chadwick <i>Governors:</i> Dr Sarah Anderson, Jessica Cecil, John Colenutt, Prof Maggie Dallman, Dr Tristram Hunt, Dame Judith Mayhew Jonas, Joanna Reesby, Vicky Tuck
Finance and General Purposes	<i>Chair:</i> Ina De <i>Governors:</i> Mark Batten, Michael Baughan, Nabeel Bhanji, Edward Cartwright, Richard Neville-Rolfe, Joanna Reesby
- Archives Sub-Committee	<i>Chair:</i> Michael Baughan <i>Governors:</i> Dr Tristram Hunt <i>Co-opted:</i> Dr Victoria Moul, Kate Arnold-Forster
- Estates Sub-Committee	<i>Chair:</i> Edward Cartwright <i>Governors:</i> Michael Baughan, Richard Neville-Rolfe <i>Co-opted:</i> Alex Michaelis, Sam Price
Governance and Nominations	<i>Chair:</i> Mark Batten <i>Governors:</i> Michael Baughan, Edward Cartwright, Emily Reid, Vicky Tuck
Investments	<i>Chair:</i> Richard Neville-Rolfe <i>Governors:</i> Mark batten, Michael Baughan, Nabeel Bhanji, Edward Cartwright, Ina De, David Stanton. <i>Co-opted:</i> Dipankar Shewaram, Tim Woods
Overseas	<i>Chair:</i> Dame Judith Mayhew Jonas <i>Governors:</i> Michael Baughan, Mark Batten, Edward Cartwright, Dr Priscilla Chadwick, Prof Maggie Dallman. <i>Co-opted:</i> Jack Yu
Remuneration <i>Established December 2020</i>	<i>Chair:</i> David Hoyle <i>Governors:</i> Mark Batten, Dr Priscilla Chadwick, John Colenutt, Ina De
Under School <i>Disestablished December 2020</i>	<i>Chair:</i> Joanna Reesby <i>Governors:</i> Dr Sarah Anderson, Michael Baughan, Edward Cartwright, Emily Reid <i>Co-opted:</i> Tom Burden

ORGANISATIONAL MANAGEMENT

The day-to-day running of each school is delegated to the Head Master and the Master, supported by their senior management teams including the Under Master and Deputy Master, the Bursar, the Deputy Heads, the Assistant Masters, the Directors of Teaching and Learning and Director of the Upper School. The Head Master, the Master, the Under Master, the Deputy Master and the Bursar attend meetings of the Governing Body and its Committees. Members of both Schools' senior management teams attend some or all of the meetings as requested by Governors and together this group are the key management personnel.

Remuneration policy is set by the Governing Body with the objective of providing appropriate incentives to encourage enhanced performance and of rewarding fairly and responsibly individual contributions to the School's success.

Remuneration is reviewed annually, including reference to independent benchmarking of other peer schools to ensure that the School remains competitive. The School's arrangements for meeting with staff on matters to do with terms and conditions, as part of its statutory obligations for informing and consulting with employees, are in the process of being reviewed.

The School aims to recruit the best teachers possible. Delivery of the School's charitable object and aim is primarily dependent on them, supported by administrative and support staff, and therefore staff costs are the largest single element of charitable expenditure.

GROUP STRUCTURE

All activities are undertaken by the School (both the Great School and the Under School) as a single entity (the "parent charity"). The Group includes the following subsidiary companies:

- Floreat Enterprises Limited, a subsidiary company established in August 2012. This company has remained dormant.
- Floreat Overseas Holdings Limited (FOHL), a trading subsidiary company established in October 2016 for the purposes of developing overseas educational

opportunities and offering education consultancy services overseas. *Directors: Dame Judith Mayhew Jonas (Chair), Mark Batten, Michael Baughan*

- The Ben Jonson Foundation, a charitable company, established in March 2019 in order to set up an endowment for future funding of bursaries. *Trustees: Emily Reid (Chair), Ina De, Joanna Reesby*

The parent charity, Floreat Enterprises Ltd, FOHL and the Ben Jonson Foundation comprise the Group. The financial results and activities of FOHL and Ben Jonson Foundation have been consolidated in these Group financial statements and further details are shown in note 25, notwithstanding that the endowed Scholarship and Bursary Fund, included within the School's financial statements, has a separate charity registration.

RISK MANAGEMENT

The Governing Body is responsible for the management of risks faced by both Schools. The level and breadth of activity at the School are extensive and risks associated with all activities are minimised by thorough planning and risk assessment as well as having appropriate training and policies in place. A formal review of the risks facing the School, and the effectiveness of the plans and strategies for managing all identified major risks, is undertaken termly by the main committees. The Audit, Risk and Compliance Committee is responsible for overseeing the School's risk management framework.

The risk management framework for the School is in the process of being reviewed. The Governing Body is satisfied that, through the risk management processes established for the School, all material risks have been identified and are adequately managed, monitored, mitigated (including, where appropriate, transferred through the School's insurance programme) and reported. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed.

The School considers its major risks, to be as follows:

RISKS	MITIGATING ACTIONS
The School's reputation could be damaged through a serious or major incident e.g. safeguarding, health and safety, fraud or failure in compliance with school policy	<ul style="list-style-type: none"> — Appropriate policies and training in place and oversight by governors — Legal and PR advisers retained
Incidence of a pandemic and planning the School's response thereto	<ul style="list-style-type: none"> — Convene Crisis Management Group (Governors and senior staff) — Detailed Operating Procedures developed and implemented
A change in Government policy that is inimical to the existence or mode of operation of the independent schools sector or to the School specifically	<ul style="list-style-type: none"> — Membership of relevant professional associations i.e. HMC, IAPS — Community and partnership activities to promote School's charitable purpose
An act of terrorism or major act of violence perpetrated in or adjacent to the School could severely disrupt the School's operations or harm pupils and staff welfare, due to where it is sited and its high profile	<ul style="list-style-type: none"> — Emergency Response Plan in place and regularly tested
A failure of the School's IT system or cyber-attack would seriously affect its ability to operate	<ul style="list-style-type: none"> — Multi-factor authentication extended — Cloud storage adopted — Active directory audits — Staff and pupil training
Loss of key staff	<ul style="list-style-type: none"> — Succession planning in place for key staff on longer notice periods — Use of interim resource as required



FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Group's net result for the year, across all funds, was a surplus of £8,927k (2019/20: a deficit of £549k), as set out in the Consolidated Statement of Financial Activities for the accounting period ended 30 June 2021, on page 30 and in note 25 for the subsidiary companies.

The School's surplus/deficit was determined after:

	2021 (£k)	2020 (£k)
Taking into account:		
Increase/(decrease) in pension asset	1,759	(1,416)
Net gains/(losses) on investments	9,372	876
Investment income net of charges	776	920
Savings from job retention scheme	251	588
Charitable donation income	1,585	2,550
and after charging:		
Interest and similar charges	809	770
(Gain)/loss on disposal of assets	-	(21)
Depreciation	3,185	3,205
Fee concessions	2,454	2,677
Fee rebates for the pandemic	1,406	1,880

The overall operating loss of the School, before gains and losses on investments and pension schemes, amounted to £2,204k (2019/20: a surplus of £67k). The movement on the result compared to the prior year arose from donations being lower this year and the adverse financial effect of the Covid-19 pandemic on the School's operations.

The School's net result can be broken down by each of the funds as follows:

	2021 (£k)	2020 (£k)
Unrestricted funds	(1,133)	(3,329)
Restricted funds	(154)	319
Endowment funds	10,214	2,461
Total funds	8,927	(549)

The loss on the unrestricted fund of £1,133k (2019/20: £3,329k) arose mainly from the operating loss of £3,053k (2019/20: £1,837k), investment gains £161k (2019/20: £nil) and pension scheme actuarial gains £1,759k due to increase in asset valuations (2019/20: losses £1,492k).

The School expended cash from all sources amounting to £3,071k (2019/20: generated £448k) as follows:

	2021 (£k)	2020 (£k)
Operating cash surplus	1,535	2,504
Provided by financing activities	926	16,173
Outflow in investing activities	(5,532)	(3,229)
Decrease/increase in cash for year	(3,071)	15,448
New loan	-	(15,000)
Change in net debt	(3,071)	448

Investing activities includes capital expenditure of £2,702k (2019/20: £2,019k). Capital expenditure includes:

- The façade works on Weston building (£559k)
- Resealing the roof of Lawrence Hall (£584k)
- Pavilion reconstruction and Vincent Square drainage initial works (£344k)
- Boulton final works (£103k)
- General property works (£580k – including boarding house refurbishments £374k, boiler replacements £118k and other property works £88k)

- IT equipment (£296k)
- Other furniture, vehicles and equipment lower value items (£236k)

The Governors consider that the financial outcome from the Group's activities is at an acceptable level in the context of its overall financial resources and liquidity. Related party disclosures are set out in Note 23, Post Balance Sheet events in Note 24 and subsidiary entity details in Note 25 to the Financial Statements.

RESERVES POLICY

The School's reserves policy is to maintain sufficient unrestricted reserves to meet its short-term financial obligations but does not set a target reserves level. The School relies on the investments comprised within the expendable endowment (valued at £66.7m at 30 June 2021; 30 June 2020 £56.8m) as adequate cover for the School's longer-term capital expenditure commitments and any longer-term financial obligations.

The School's total reserves of £144.6m at the year-end (2019/20: £135.7m) comprised:

	30 June 2021 (£m)	30 June 2020 (£m)
Unrestricted (income) funds	62.9	64.1
Restricted funds (unspent restricted income)	0.9	1.1
Endowment (capital) permanent funds	14.1	13.7
Endowment (capital) expendable funds	66.7	56.8
Total funds	£144.6m	£135.7m

Unrestricted income funds are comprised of fixed asset funds of £57.5m, general reserves £4.1m, George Herbert Fund £0.8m and a pension surplus of £0.5m. The School's financial viability does not depend on the income reserves; it is secured by the substantial general purpose expendable endowment investments as above.

During the year as the pandemic progressed, while the School remained opened for the majority of the academic year it closed for onsite teaching for seven of the ten weeks of the Lent Term, between the end of January and March 2021. The School followed closely the advice of the government during the year to ensure the safety and wellbeing of the whole School community. The School reopened in person for the Election Term in April 2021 after implementing measures to ensure the safety of staff, visitors and pupils. The School developed action plans and standard operating procedures have been regularly reviewed to support the School in meeting its charitable object.

The Governors have reviewed the position carefully with a view to ensuring the ongoing provision of schooling for pupils as well as employment of staff. There are currently significant cash balances as well as a substantial investment portfolio should additional liquidity be required through this period of uncertainty. Accordingly, the Governors believe the School's financial resources are sufficient to ensure the School will continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on the going concern basis.

INVESTMENT POLICY AND OBJECTIVES

The Governing Body has appointed the Investments Committee to oversee the management of the School's investments allocated over a range of asset classes including investment property and an investment portfolio comprising equities, fixed interest bonds, gold, multi-asset funds, alternative investments and cash. The

investment policy is to diversify the portfolios between managers with different investment approaches and different levels of investment risk, whilst managing separately the School's investment property portfolio. The investment objective is to provide overall returns in excess of an agreed benchmark and risk parameters. The School's investment time horizon is very long term.

In relation to the investment portfolio, the investment managers responsible for the substantial majority of the School's investment funds have been given absolute total return targets equivalent to 3% per annum over RPI inflation, after charges, on a rolling five-year basis. The measurement of returns against these targets began on 1 January 2013.

Investment properties are let on the open market at market rates to obtain the optimal rental return, which is subject to periodic review in accordance with the terms of the leases. Other investment properties held by the Scholarship and Bursary Fund and the Trusts Fund are internally rented to the School for operational use at market rates and the rental agreements were renewed and amended in May 2017 (reviewed every five years).

INVESTMENT PERFORMANCE AGAINST TARGET

The return for the year to 30 June 2021 was a surplus of 19.6%, due to improving market returns as conditions began to recover during the pandemic. The investment properties let on the open market achieved 2.8% income return, net of management charges.

OPERATIONAL PERFORMANCE OF THE SCHOOL

Apart from aiming to provide the highest level of education (see Academic Success, page 16), a complementary objective has been to widen access for pupils whose parents' financial circumstances would otherwise preclude them. The availability of bursaries at the School has been communicated more widely to feeder schools in both the maintained and independent sectors, and plans to raise funds to finance increased bursary provision have been successful as described below. Once again this year, no child who gained a place at the School on their own merit was unable to take up their place for want of adequate financial support.

FUNDRAISING PERFORMANCE AND CODE OF PRACTICE

The Development Office continues to administer an active alumni programme, to steward present benefactors and to encourage future giving through the cultivation of individual donors, trusts

and foundations. Donations totalled £1.6m (2019/20: £2.6m) comprised mainly of endowment funds of £1.2m inclusive of Gift Aid recovery (2019/20: £1.7m); these were received through the School's fundraising programme aimed principally at bursary and hardship funding. Of the above endowment funds £0.8m were received for the Ben Jonson Foundation during the year (2019/20: £1.4m). Donations of £0.2m (2019/20: £0.4m) were received for the George Herbert Fund for hardship.

The School registered with the Fundraising Regulator in 2017. The School follows the new Code of Fundraising Practice which came into effect on 1 October 2019. The School also follows the Charity Commission's guidance for charity trustees on fund raising from the public. The School did not carry out a telephone campaign during the year and has no plans to carry out another for the foreseeable future. The School published its Annual Giving Report for 2019/20 in February 2021. The School has received no complaints and works sensitively to protect vulnerable people and members of the public to ensure that no undue pressure is placed on a person to give money or other property.

The Development Board meets to discuss development office opportunities and meets at least twice a year. Lord David Neuberger is Chair of the Development Board, Hermann Bruhn, William Charnley, Thalia Chryssikou, John Pfeffer and Sayoko Teitelbaum serve on the Development Board, together with a number of governors.

SIGNIFICANT POST BALANCE SHEET EVENT

In November 2021 the School announced that the directors of Floreat Overseas Holdings Limited had decided to withdraw from the educational consultancy arrangements it had with a Hong Kong-based investor who wished to operate schools in mainland China using the Westminster School name and way of learning, starting with a school in Chengdu, in the Sichuan province. This difficult decision was reached after a series of challenges for the operator, both local and global including the impact of the Covid-19 pandemic, which were unforeseen at the inception of the project in 2017. Note 24 to the financial statements gives the detail on the financial effect.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors, as the charity trustees, are responsible for preparing the Annual Report of the Governors and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the Governors are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

The Governors are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the Governing Body at its meeting on 2 December 2021 and signed on its behalf by:



Mark Batten
Chair of the Governing Body
2 December 2021

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
INCOME AND ENDOWMENTS FROM:						
<i>Charitable activities</i>						
School Fees	2	27,405	-	-	27,405	26,267
Other educational income	4	1,113	-	-	1,113	1,221
Other trading activities	4	25	-	-	25	90
<i>Investments</i>	3	630	499	3	1,132	1,237
<i>Donations</i>		21	382	1,182	1,585	2,550
<i>Trading income</i>	4	-	-	-	-	119
<i>Other</i>	4	244	-	-	244	647
Total Incoming Resources		29,438	881	1,185	31,504	32,131
EXPENDITURE ON:						
<i>Raising funds</i>						
Fund raising		305	-	-	305	277
Trading costs		118	-	-	118	2
Finance costs of Advance Fee Scheme		22	-	-	22	27
Bank interest and other finance costs		809	-	-	809	770
Investment management		258	-	98	356	317
Total deductible costs	7	1,512	-	98	1,610	1,393
<i>Charitable activities</i>						
Schools and grant making	7	30,979	1,013	106	32,098	30,671
Total Expenditure	7	32,491	1,013	204	33,708	32,064
Net(expenditure)/ income before gains and losses		(3,053)	(132)	981	(2,204)	67
Gains / (Losses) on investments		161	(22)	9,233	9,372	876
NET INCOME/(EXPENDITURE)		(2,892)	(154)	10,214	7,168	943
<i>Pension Scheme actuarial gains/ (losses)</i>		1,759	-	-	1,759	(1,492)
NET MOVEMENT IN FUNDS FOR YEAR		(1,133)	(154)	10,214	8,927	(549)
Fund balances at start of year		64,078	1,076	70,560	135,714	136,263
FUND BALANCES at end of year	15	62,945	922	80,774	144,641	135,714

There are no recognised gains or losses other than those included above. All activities are continuing.

The notes on pages 33 to 55 form part of these accounts.

CONSOLIDATED AND SCHOOL BALANCE SHEETS

AS AT 30 JUNE 2021

	Notes	Group		School	
		2021 £'000	2020 £'000	2021 £'000	2020 £'000
FIXED ASSETS					
Tangible assets	8	87,509	88,093	87,509	88,093
Investment assets	9	72,299	59,408	72,097	59,383
Cash held for investment	-	904	1,776	904	1,776
		160,712	149,277	160,510	149,252
CURRENT ASSETS					
Stock		28	29	28	29
Debtors	10	1,278	1,812	1,666	2,441
Cash	-	18,689	21,760	15,604	19,472
		19,995	23,601	17,298	21,942
CREDITORS: due within one year	12	(5,878)	(5,802)	(5,824)	(5,793)
NET CURRENT ASSETS		14,117	17,799	11,474	16,149
TOTAL ASSETS LESS CURRENT LIABILITIES		174,829	167,076	171,984	165,401
CREDITORS: due after more than one year	13	(30,686)	(30,675)	(30,686)	(30,675)
TOTAL NET ASSETS before pension scheme		144,143	136,401	141,298	134,726
Pension Scheme funding (deficit)/surplus	22	498	(687)	498	(687)
TOTAL NET ASSETS after pension scheme		144,641	135,714	141,796	134,039
FINANCED BY:					
Endowment Funds					
Permanent	16	14,099	13,717	14,099	13,717
Expendable	16	66,675	56,843	63,830	54,776
Restricted Funds	17	922	1,076	922	1,076
Unrestricted Funds					
Designated and general	18	62,447	64,765	62,447	65,157
Pension Reserve	18	498	(687)	498	(687)
TOTAL FUNDS		144,641	135,714	141,796	134,039

The net result for the financial year dealt with in the financial statement of the parent charity was a surplus of £7,757k (2020: a deficit of £1,807k). *The notes on pages 33 to 55 form part of these financial statements.*

Approved on behalf of the Governing Body on 2 December 2021 by:

Mark Batten, Chair



Ine De, Governor



CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE ACCOUNTING YEAR ENDED 30 JUNE 2021

	Notes	2021		2020	
		£'000	£'000	£'000	£'000
NET CASH INFLOW FROM OPERATIONS					
Net cash provided by operating activities	19		1,535		2,504
CASH FLOWS FROM INVESTING ACTIVITIES:					
Bank and money market interest received		9		136	
Other income from investments		1,129		1,286	
Investment managers' charges		(259)		(207)	
Interest paid		(798)		(770)	
Amounts accrued to advance fees		(22)		(27)	
Payment for tangible fixed assets		(2,702)		(2,019)	
Proceeds from sale of tangible fixed assets		1		21	
Payment for investments including properties		(14,878)		(19,054)	
Proceeds from sale of investments		11,116		17,492	
Movement in cash held for investment		872		(87)	
NET CASH (USED IN) INVESTING ACTIVITIES			(5,532)		(3,229)
CASH FLOW FROM FINANCING ACTIVITIES:					
New endowments		1,182		1,333	
New loan notes		-		15,000	
Receipts from new advance fee contracts		536		838	
Amounts accrued in respect of advance fees		22		27	
Advance fees utilised and repaid		(814)		(1,025)	
NET CASH PROVIDED BY FINANCING ACTIVITIES			926		16,173
(DECREASE) / INCREASE IN CASH IN THE YEAR	20		(3,071)		15,448
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT					
(Decrease) / increase in cash in the year		(3,071)		15,448	
Cash (inflow) from new loan		-		(15,000)	
Change in net debt	20		(3,071)		448
Net (debt) at start of year			(8,240)		(8,688)
Net (debt) at end of year	20		(11,311)		(8,240)

The notes on pages 33 to 55 form part of these financial statements.

Charity law requires separate administration of the cash flows of endowed and restricted funds of the charity. This constraint has not adversely affected consolidated cash flows as included above.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE ACCOUNTING YEAR ENDED 30 JUNE 2021

1. STATEMENT OF ACCOUNTING POLICIES

BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Statement of Recommended Practice on Accounting and Reporting applicable to charities preparing their accounts in accordance with FRS 102 ("The Charities SORP 2015"). The School is a Public Benefit Entity registered as a charity in England and Wales on 8 July 1964 (charity number 312728 as St Peter's College (otherwise known as Westminster School)).

The Financial Statements have been prepared to give a 'true and fair' view and departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved preparing accounts in accordance with FRS 102 rather than SORP 2005 which has since been withdrawn. The financial statements consolidate those of the main School Charity and its wholly owned trading subsidiary company Floreat Overseas Holdings Limited (company number 10421836) with its registered office at Little Dean's Yard, London, SW1P 3PF which has the same year end date. The financial statements also consolidate the results of the Ben Jonson Foundation, a charitable incorporated organisation (charity number 1182556) set up in March 2019, with its registered office at Little Dean's Yard, London, SW1P 3PF which has the same year end date.

The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of certain assets including investment properties and other investments. The functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates.

At the time of approval of the Annual Report, the Covid-19 pandemic continues to evolve and the long-term impact on the Charity, in common with other businesses, is unknown. The report of the

Governors explains the current actions taken by the Charity in response to this crisis. The Governors have reviewed the position carefully with a view to ensuring the ongoing provision of schooling for pupils as well as employment of staff. There are currently significant cash balances as well as a substantial investment portfolio should additional liquidity be required through this period of uncertainty. Accordingly, the Governors believe the School's financial resources are sufficient to ensure the School will continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the Financial Statements and have therefore prepared the Financial Statements on the going concern basis.

In application of the accounting policies, Governors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are based on historical experience and other relevant factors. The estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognised in either the period of revision and/or in future periods if relevant. In the view of the Governors, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date, are likely to result in a material adjustment to their carrying amounts in the next financial year. The Financial Statements relate to the accounting period, a time span commencing the day after the last balance sheet date and ending on the present balance sheet date. The particular accounting policies adopted and applied consistently are described below.

FEES AND SIMILAR INCOME

School fees receivable are stated after deducting bursaries, scholarships and other concessions granted by the School, but include contributions specifically received from external donors as well as from internal Restricted Funds established to support bursaries, scholarships and other grants. Monies received in advance of education to be

provided in future periods under the Advance Fees Scheme are held as interest-bearing liabilities until either taken as income in the term when used or else refunded in accordance with the agreements. Other income is accounted for in the period in which the service is provided.

INVESTMENT INCOME

Interest on bank balances and fixed interest securities is accounted for on the accruals basis. Credit is only taken for dividend income and similar distributions when received.

DONATIONS AND LEGACIES

Donations and legacies are accounted for when receipt is probable, can be measured reliably and entitlement can be demonstrated. Donations received for the general purpose of the School are credited to unrestricted funds. Donations subject to specific wishes of the donor, which are legally binding on the Governing Body, are credited to the relevant restricted fund or, where the donation is required to be held as capital, to endowed funds.

RESOURCES EXPENDED

Expenditure is accounted for on an accruals basis, discounted to present value for longer-term liabilities. The irrecoverable element of VAT is included with the item of expense to which it relates. All costs are directly allocated to the applicable category of charitable expenditure. Governance costs comprise the costs of running the charity including external audit, any legal advice for the Governing Body and the costs of complying with constitutional and statutory requirements such as meetings of the Governing Body and its Committees and otherwise satisfying public accountability.

PENSION SCHEMES

For teaching staff, who are members of the defined benefit scheme managed by the Teachers' Pensions, contributions are paid at the rate set by the government. This is a multi-employer scheme, which does not ascribe specific assets or liabilities to individual schools, and the cost is therefore accounted on the same basis as a defined contribution scheme.

A separate defined benefit scheme was established for administration and support staff in 1979 and closed to new entrants on 31 December 2010. It is administered by Aviva and both the School and employees pay into this scheme at rates recommended by the appointed actuary. This scheme is being accounted for under FRS 102, with the annually calculated notional surplus or deficit on the funding of the scheme shown in the financial statements as a designated fund entitled "Pensions Reserve", which supplements or reduces Unrestricted Funds in the Balance Sheet.

For administration and support staff joining from 1 January 2011, the School established a defined contribution scheme under which the School contributes at double the rate contributed by the employee up to a maximum contribution by the School of 15% of pensionable salary. This scheme is accounted for under FRS 102 as a defined contribution scheme.

FIXED ASSETS

Capitalisation

Land and buildings forming the heart of the School's estate were vested in the Governing Body in fee simple by virtue of Section 20 of the Public Schools Act 1868. Acquisitions of land and buildings are accounted for at cost, subject to depreciation as described below. Improvements, extensions and conversions of property that increase service capacity are capitalised at cost. Maintenance expenditure is charged as an expense in the year in which it occurs. Expenditure on new or existing furniture and equipment is capitalised only where it increases service capacity, extends the asset's useful life, leads to a substantial improvement in operating costs or relates to a major overhaul of a fully depreciated asset. Expenditure of less than £3,000 would not normally qualify to be treated as a capital asset.

Westminster School has important assets comprising paintings, books, manuscripts and artefacts whose intrinsic value is bound up with the School's history. Most of these are considered by the Governing Body to be irreplaceable originals to which no reliable value can be attributed and accordingly these assets have not been capitalised in the financial statements. Paintings are hung throughout the School to enhance the

ambience of the collegiate environment whilst books and manuscripts and other artefacts are available in the library or in the archive room for consultation or research. The Governing Body take the view that disclosure of particulars of these heritage assets would be prejudicial to the School and they have therefore decided that such details should not be provided here.

Depreciation and Amortisation

Although the School's buildings are carefully maintained with the object of continually extending their working lives, the Governing Body believes they should be depreciated to reflect the cost of using them. Depreciation on other assets is similarly provided so as to write off the cost of those assets less estimated residual value based on current market prices, in equal annual instalments over their estimated useful lives as follows:

- Freehold buildings, including improvements and extensions: 50 years or ten years for boarding house refits
- Leasehold buildings: 50 years or lease term if shorter
- Furniture and equipment: three to 20 years
- Motor vehicles: four years

INVESTMENTS

Investments are stated in the financial statements at their mid-market value at the balance sheet date. Transaction-based costs are treated as incidental costs of acquisition or disposal, whilst asset management fees are charged against the relevant revenue fund in the Statement of Financial Activities. Realised gains or losses from investment disposals (net sale proceeds less opening market value) and unrealised gains and losses arising from the change in value of those investments still held are disclosed in aggregate in the Statement of Financial Activities.

STOCK

Stock is valued at the lower of cost and net realisable value.

INVESTMENT PROPERTY

Investment properties are revalued at least every five years using a professional valuation and after obtaining advice as to any possible material movements in between individual valuations. If there is evidence of a material movement investment properties are revalued as this arises.

CASH AND NET DEBT

Cash included in current assets, the movement of which is shown in the Statement of Cash Flows, is defined as balances held in bank accounts operated by the School, including any short-term money market deposits made transitionally for tactical reasons, and petty cash balances.

Net debt comprises all loan balances irrespective of repayment date less cash and fixed term deposits included within current assets.

OPERATING LEASES

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on this basis.

FINANCIAL INSTRUMENTS

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments and interest rate swaps, if held, which are carried at fair value. Financial assets held at amortised cost comprise cash at bank, trade and other debtors. Financial liabilities held at amortised cost comprise all creditors except, social security and other taxes and deferred income.

2. SCHOOL FEES

	2021 £'000	2020 £'000
The Schools' fee income comprised:		
Gross fees	29,194	28,287
Less: Total bursaries, scholarships and other concessions	(2,454)	(2,677)
	<u>26,740</u>	<u>25,610</u>
Add back:		
External contributions to bursaries	169	169
Bursaries and scholarships paid for by restricted funds	496	488
	<u>27,405</u>	<u>26,267</u>

Gross fees are shown net of fee rebates for Lent Term 2021 of £1,406k (2020 - £1,880k Election Term 2020). Substantially all of the fee concessions relate to bursaries and scholarships.

3. INVESTMENT INCOME

	2021 £'000	2020 £'000
From equity investments	275	284
From global multi-asset investments	87	62
From fixed income investments	61	45
From alternative investments	73	66
From investment properties	627	644
Bank and other interest received	9	136
Total investment income	<u>1,132</u>	<u>1,237</u>

Income from investment properties includes £464k paid by general funds to the restricted Scholarship and Bursary Fund and the Trusts Fund for use of their properties (2019/20: £464k).

4. OTHER INCOME

	2021 £'000	2020 £'000
Other educational income in charitable activities		
Recharged extra-curricular activities	456	646
Entrance and registration fees	657	575
	<u>1,113</u>	<u>1,221</u>
Other trading activities in charitable activities		
School store and function income	25	90
	<u>25</u>	<u>90</u>
Trading income		
Floreat Overseas Holdings Limited	-	119
	<u>-</u>	<u>119</u>
Other income		
Gain on sale of tangible fixed assets	1	21
Other	243	624
	<u>244</u>	<u>645</u>

5. TAXATION

As a charity, the School has exemption from taxation on income and capital gains relating to its charitable activities and investments. In consequence, no tax arises on its surplus for the period. The School's activities are exempt from VAT, with the exception of the school store and letting of School premises, and, therefore, bear most of the VAT chargeable on taxable supplies made to it.

6. STAFF COSTS

	2021 £'000	2020 £'000
Total staff costs of full-time and part-time employees comprises:		
Wages and salaries	14,449	14,092
Social security costs	1,599	1,556
Pension costs	3,463	2,836
	19,511	18,484
Other staff-related costs	178	131
	19,689	18,615
The average number of staff of the School comprises:	Number	Number
Teaching staff and assistants		
Full-time	162	157
Part-time	44	49
Other staff		
Full-time	67	66
Part-time	81	83
	354	355

In addition, there are, on average, 28 employed peripatetic teachers and assistants in both schools (2019/20: 29), supplemented by external tutors who provide lessons in musical instruments.

Neither the Governors nor persons connected with them received any remuneration or other benefits from the School or any connected organisation. No Governors received reimbursed travel expenses (2019/20: one Governor received travel expenses of £136). The aggregate employee benefits of key management personnel, comprising Heads, Deputy Heads, Bursar, Registrar and senior management teams, were £2,082k (2019/20: £1,880k, including employer's national insurance contributions). During the year there were redundancy or termination payments including associated legal costs made which amounted to £43k (2019/20: £30k), of which £nil was outstanding at the year end.

The numbers of higher paid employees, all of whom accrued retirement benefits from either a defined benefits scheme or a defined contribution scheme, with taxable emoluments within bands shown below are:

	2021	2020
£60,001 to £70,000	40	30
£70,001 to £80,000	29	32
£80,001 to £90,000	17	15
£90,001 to £100,000	3	1
£100,001 to £110,000	-	1
£120,001 to £130,000	2	1
£140,001 to £150,000	1	1
£220,001 to £230,000	1	-
£280,001 to £290,000	-	1

7. ANALYSIS OF TOTAL EXPENDITURE

	Staff costs (note 6) £'000	Other £'000	Depreciation (note 8) £'000	Total 2021 £'000	Total 2020 £'000
Raising funds:					
Financing costs	-	831	-	831	797
Investment management	-	356	-	356	317
Trading costs	-	118	-	118	2
Fundraising costs	274	31	-	305	277
Total deductible costs	274	1,336	-	1,610	1,393
Charitable activities:					
Teaching	14,545	1,247	-	15,792	15,553
Welfare	750	1,839	-	2,589	2,339
Premises - <i>see note below</i>	1,866	3,221	3,185	8,272	8,422
Support costs of schooling	2,197	1,689	-	3,886	2,923
Shop, recharged activities and functions	57	489	-	546	747
School's operating costs	19,415	8,485	3,185	31,085	29,984
Grants, awards and prizes	-	1,013	-	1,013	687
Total of charitable activities costs	19,415	9,498	3,185	32,098	30,671
Total expenditure	19,689	10,834	3,185	33,708	32,064
Governance costs included in support costs above comprise:					
Auditors' remuneration	- for audit services including VAT			44	41
	- for other services including VAT			7	5
Incidental governance costs				-	1
				51	47

Property rental included in premises costs above comprise:

Premises costs include £464k paid by general funds to the restricted Scholarship and Bursary Fund and the Trusts Fund for use of their properties (2019/20: £464k).

8. TANGIBLE FIXED ASSETS

Group and School	Assets under construction £'000	Freehold property £'000	Long leasehold property £'000	Furniture and equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation						
At 1 July 2020	77	56,070	58,893	9,999	356	125,395
Reclassification to investment property	-	-	(168)	-	-	(168)
Additions	-	822	1,199	681	-	2,702
Transfers	335	(247)	-	(88)	-	-
Disposals	-	-	-	(385)	-	(385)
At 30 June 2021	412	56,645	59,924	10,207	356	127,544
Depreciation						
At 1 July 2020	-	14,843	14,797	7,347	315	37,302
Reclassification to investment property	-	-	(67)	-	-	(67)
Charge for year	-	1,163	1,198	805	19	3,185
Transfers	-	-	-	-	-	-
Disposals	-	-	-	(385)	-	(385)
At 30 June 2021	-	16,006	15,928	7,767	334	40,035
Net book values						
At 30 June 2021	412	40,639	43,996	2,440	22	87,509
At 30 June 2020	77	41,227	44,096	2,652	41	88,093

Freehold properties comprise those owned absolutely by the School and those whose ownership would revert to the Church Commissioners in the event of the School moving out of the City of Westminster, as provided by the Public Schools Act 1868.

Long leasehold property comprises principally five properties, Millicent Fawcett Hall, 3/3A Dean's Yard, 9 Tufton Street, St Edward's House and Lawrence Hall having lease expiry dates of 24 December 2997, 24 December 2895, 23 June 2890, 31 May 3011 and 1 May 3011 respectively.

In accordance with the School's accounting policies as described in Note 1 heritage assets are not included above.

9. INVESTMENTS

Investments are analysed according to their principal characteristics as shown below:

Group and School	Group		School	
	30 June 2021 £'000	30 June 2020 £'000	30 June 2021 £'000	30 June 2020 £'000
Equity investments	24,944	19,042	24,944	19,042
Global multi-asset investments	16,492	6,238	16,492	6,238
Fixed income investments	8,057	7,673	8,057	7,673
Alternative and other investments	3,703	7,307	3,501	7,282
Forward foreign currency	508	398	508	398
Investment properties	18,595	18,750	18,595	18,750
Investments at market value	72,299	59,408	72,097	59,383
Cash held for investment	904	1,776	904	1,776
	73,203	61,184	73,001	61,159
Cost of investments (excluding cash) as at 30 June 2021	61,213	55,283	61,011	55,258

Under the provisions of the Trustee Act 2000, investment properties valued at £10,310k (2019/20: £10,668k) have been pooled between the Scholarship and Bursary Capital and Revenue Funds. The investment property was revalued by Kutner Associates ('red book') in May 2017 resulting in a devaluation of £2,462k. The Governors further devalued these properties by £555k in 2021 as well as adding a further property of £400k.

All securities and cash are managed by external investment managers with the exception of investments totalling £8,179k (2019/20: £6,781k), included above as equity investments, which are managed under the auspices of the School's Investment Committee.

	£'000	£'000
Investment properties comprise:		
Property let to third parties	6,568	6,305
Property available for letting to third parties	-	-
Property held by the Scholarship and Bursary Fund and Trusts Fund and leased to the School	12,027	12,445
	18,595	18,750
The movement in the market value of investments and cash under management is shown below:		
Group	2021 £'000	2020 £'000
As at 1 July 2020	61,184	58,988
Investment properties reclassified from freehold property at market value	101	-
Total (losses)/returns, realised and unrealised, from listed investments and cash	9,900	1,056
Net movement and returns from investment properties	362	596
Net income transferred toward permitted activities of restricted funds	(463)	(464)
New investments in managed funds	2,375	4,625
Money withdrawn to support capital expenditure and operations	(256)	(3,617)
As at 30 June 2021	73,203	61,184

During the year the School invested £2,375k in managed funds with existing fund managers. The investment portfolio showed a significant uplift in valuation of £9,900k during the year for managed funds and self-managed funds alike.

10. DEBTORS

	Group		School	
	30 June 2021 £'000	30 June 2020 £'000	30 June 2021 £'000	30 June 2020 £'000
Fees and rechargeables	711	977	711	977
Less: Provisions	(275)	(275)	(275)	(275)
	436	702	436	702
Other debtors	388	523	369	272
Prepayments and accrued income	454	587	454	587
Amounts due from subsidiary company (see note 23)	-	-	407	880
	1,278	1,812	1,666	2,441

11. CASH AND DEPOSITS

	Group		School	
	30 June 2021 £'000	30 June 2020 £'000	30 June 2021 £'000	30 June 2020 £'000
Cash held for investment by the investment managers	904	1,776	904	1,776
Cash held by the School's bankers and sundry floats	18,689	21,760	15,604	19,472
	19,593	23,536	16,508	21,248

12. CREDITORS

Due within one year

	Group		School	
	30 June 2021 £'000	30 June 2020 £'000	30 June 2021 £'000	30 June 2020 £'000
Trade creditors	1,915	2,543	1,915	2,543
Other creditors including taxation and social security	2,167	1,803	2,167	1,803
Amounts due to subsidiary companies	-	-	50	-
Accruals	1,352	746	1,248	737
	5,434	5,092	5,380	5,083
Deferred income - advance fees account (see note 14)	444	710	444	710
	5,878	5,802	5,824	5,793

An amount of £963k (2020: £656k) is included within other creditors for refundable deposits comprising £619k for Great School (2020 - £342k) and £344k for Under School (2020 £314k).

13. CREDITORS

Due after more than one year

Group and School	30 June 2021 £'000	30 June 2020 £'000
Loan notes	30,000	30,000
Deferred income - advance fees account (see note 14)	686	675
	30,686	30,675

A 40 year fixed rate loan note agreement was entered into on 25 July 2017 with a major UK pension fund. The loan notes have been drawn down in two tranches. The first tranche of £15m drawn down in entering into the loan agreement is repayable in one sum in 2057 and will attract annual interest of £395k. A second tranche of £15m was drawn down in July 2019 is also repayable in a lump sum in 2057; this brought the fixed annual interest charge up to £798k payable from January 2020 onwards.

14. ADVANCE FEES ACCOUNT

Group and School	30 June 2021 £'000	30 June 2020 £'000
After five years	37	-
Between two and five years	342	324
Between one and two years	307	351
	686	675
Within one year	444	710
	1,130	1,385
The balance represents deferred income. The movements during the period are shown below:		
Balance at beginning of period	1,385	1,545
New contracts	536	838
Amounts accrued to contracts	22	27
Deposits refunded	-	-
	1,943	2,410
Amounts utilised in payment of fees		
- to the School	(776)	(989)
- to other schools	(38)	(36)
	1,130	1,385
Balance at end of period	1,130	1,385

The School ensures it holds sufficient readily realisable assets to meet the total liability at all times.

15. NET ASSETS OF THE GROUP FUNDS

The Group's net assets as at 30 June 2021 belong to the various funds as shown below:

	Fixed assets £'000	Investments and cash held for investment £'000	Net current assets/ (liabilities) £'000	Long term liabilities £'000	Fund balances £'000
Endowment funds					
- Permanent	-	11,414	2,685	-	14,099
- Expendable	-	54,587	12,088	-	66,675
Restricted funds	-	637	285	-	922
Unrestricted funds					
- Fixed asset fund	87,509	-	-	(30,000)	57,509
- Other designated	-	-	847	-	847
- General	-	6,565	(1,788)	(686)	4,091
	87,509	73,203	14,117	(30,686)	144,143
Pension reserve	-	-	-	498	498
	87,509	73,203	14,117	(30,188)	144,641

16. ENDOWMENT FUNDS: MOVEMENTS IN THE ACCOUNTING PERIOD

	As at 1 July 2020 £'000	Incoming resources £'000	Resources expended £'000	Investment gains and (losses) £'000	Transfers £'000	As at 30 June 2021 £'000
Permanent endowment:						
Scholarship and Bursary Fund	10,000	-	-	(336)	-	9,664
Trusts Fund	1,650	-	-	(60)	-	1,590
Ben Jonson Foundation	2,067	833	(124)	69	-	2,845
	13,717	833	(124)	(327)	-	14,099
Expendable endowment:						
Bursary and Building Fund	54,185	352	(80)	8,982	-	63,439
Ben Jonson Foundation Fund	-	-	-	-	-	-
Zilkha Fund	1,059	-	-	239	-	1,298
Gerry Ashton Memorial Fund	1,200	-	-	261	-	1,461
Queen's Scholars' Special Fund	399	-	-	78	-	477
	56,843	352	(80)	9,560	-	66,675
Total Endowment Funds	70,560	1,185	(204)	9,233	-	80,774

The permanently endowed funds represent specific gifts and donations that have been received over time and must be maintained as part of the endowment of the School. The capital of the expendable endowment may be spent on activities as described below. The income arising on all these capital funds has been recorded in the Consolidated Statement of Financial Activities.

Scholarship and Bursary ('S&B') Fund

This fund, established in 1991, to fund scholarships and bursaries for families whose children who would benefit from a Westminster education, with emphasis on parents who, owing to financial necessity, would be unable to provide the full fees. Included as a sub-fund, The Hayward Bursary Fund is dedicated entirely to provision of bursaries.

Trusts Fund

The funds are comprised of eleemosynary grants, scholarships, exhibitions and prizes funded by benefactors of the School to provide financial help for families of pupils who merit special reward or are in special need.

Ben Jonson Foundation Fund

The Ben Jonson Foundation fund was established in March 2019 to raise funds for an endowment for bursaries.

Bursary and Building Fund

The strategy of this fund, which originally comprised the unexpended balance of amounts received from the School's rights to Milne royalties plus the proceeds from their sale received in 2000/2001, is described below in Note 18.

To support education bursaries

Income from the fund is applied firstly to finance bursaries awarded to eligible pupils, the demand for which may vary from year to year, and may be supplemented, as appropriate, by capital withdrawals.

To support building projects

Any remaining income from the fund, together with any necessary withdrawals from capital, is applied to School building projects. Amounts are released to general funds as building projects are carried out.

Zilkha Fund

This fund represents donations and amounts specifically for the benefit of the Great School Common Room.

Gerry Ashton Memorial Fund

This fund was established in 2001 in memory of the previous Master of the Under School who died in 1999. It primarily provides bursaries to children joining the Under School who can benefit from a Westminster education, but whose parents, by reason of financial necessity, would otherwise be unable to provide the full fees.

Queen's Scholars' Special Fund

The purpose of this fund is to provide bursaries for Queen's Scholars in cases of hardship.

17. RESTRICTED FUNDS: MOVEMENTS IN THE ACCOUNTING PERIOD

	As at 1 July 2020 £'000	Incoming resources £'000	Resources expended £'000	Investment gains and losses £'000	Transfers £'000	As at 30 June 2021 £'000
Revenue funds:						
Scholarship and Bursary Fund	659	394	(394)	(22)	-	637
George Herbert Fund	322	213	(330)	-	-	205
Trusts Fund	(1)	70	(70)	-	-	(1)
Zilkha Fund	9	14	(8)	-	-	15
Gerry Ashton Memorial Fund	6	16	(29)	-	-	(7)
Queen's Scholars' Special Fund	36	5	(6)	-	-	35
Art Gift Fund	21	-	(7)	-	-	14
Travel Grants Fund	24	-	-	-	-	24
	1,076	712	(844)	(22)	-	922
External funding for bursaries	-	169	(169)	-	-	-
	1,076	881	(1,013)	(22)	-	922

Restricted funds comprise revenue funds that receive income from investments and donations and pay grants and expenses from their associated endowment fund in accordance with their respective objectives as described in Note 16. The residual balance in the Scholarship and Bursary Fund arises from the uplift in the market value of the investment property associated with the fund. The George Herbert Fund was set up in spring 2020 in response to the pandemic to provide a hardship fund to support parents who had been hardest hit by the economic impact thereof. Donations of £213k (2020: £433k) have been offset by claims of £330k for the year (2020: £111k). The demand for hardship support continues. External contributions to bursaries are treated as donations which are entirely expended as grants in the same accounting period.

18. UNRESTRICTED FUNDS: MOVEMENTS IN THE ACCOUNTING PERIOD

	As at 1 July 2020 £'000	Incoming resources £'000	Resources expended £'000	Investment and other gains and losses £'000	Transfers £'000	As at 30 June 2021 £'000
Designated:						
George Herbert Fund	588	251	-	-	-	839
Bursary and Building Revenue	8	453	(453)	-	-	8
Fixed Asset Fund	58,093	-	-	(99)	(485)	57,509
General funds	6,076	28,734	(31,464)	260	485	4,091
	64,765	29,438	(31,917)	161	-	62,447
Pension reserve	(687)	-	(574)	1,759	-	498
	64,078	29,438	(32,491)	1,920	-	62,945

George Herbert Fund

The George Herbert Fund was established to represent the savings allocated to support hardship funds in the event that parents were unable to pay School fees in full.

Bursary and Building Revenue Fund

This was established to receive income and pay grants and expenses from the associated Bursary and Building Fund, which is described in Note 16.

Fixed Asset Fund

Established in 2008, this represents the net book value of fixed assets less related liabilities due in more than one year.

General Funds

The balance of general funds represents available free reserves under the definition determined by the Governing Body. The sum of £485k (2019/20: £8,586k) has been transferred to general funds from the Fixed Asset Fund to re-establish its value to the extent that funds are available.

19. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATIONS

	2021 £'000	2020 £'000
Net incoming / (outgoing) Group resources	(2,204)	67
Elimination of non-operating elements:		
- Investment income	(1,132)	(1,237)
- Investment managers' charges	338	317
- Interest payable	798	770
- Amounts accrued to advance fee contracts	22	27
Depreciation charges added back	3,185	3,205
Loss / (profit) on disposal of tangible fixed assets added back / (deducted)	-	-
Adjustments to pension scheme costs (deducted)/ added back	574	(57)
(Increase) / decrease in stocks	1	(2)
(Increase) / decrease in debtors derived from charitable activities	(154)	(516)
Increase/ (decrease) in creditors derived from charitable activities, other than Advance Fees and creditors for capital expenditure	107	(70)
Net cash inflow from Group operations	1,535	2,504

20. ANALYSIS OF CHANGES IN NET CASH RESOURCES AND DEBT

	30 June 2020 £'000	Cash flow £'000	30 June 2021 £'000
Cash	21,760	(3,071)	18,689
Loan notes	(30,000)	-	(30,000)
Net debt	(8,240)	(3,071)	(11,311)

Cash withdrawn from and invested with the investment managers is shown in Note 9.

21. CAPITAL COMMITMENTS

	30 June 2021 £'000	30 June 2020 £'000
Authorised and contracted for	257	2,071

There are capital commitments of £257k at the end of 2021 in respect of Lawrence Hall re-roofing, completed in September 2021 (2020: £2,071k for Weston's façade works and Lawrence Hall). Further information is noted in post balance sheet events note 24.

22. EMPLOYEE BENEFIT OBLIGATIONS

Teaching Staff

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff.

The pension charge for the year includes contributions payable to the TPS of £2,172k (2019/20: £2,040k) and at the year-end £311k was accrued in respect of contributions to this scheme (2019/20: £296k). The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pension Regulations 2010 (as amended) and the Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by the government.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the government actuary's department. The most recent valuation report in respect of the TPS was prepared at 31 March 2016 and the valuation report, published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also currently required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 valuation report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud / Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's decision that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the court's decision and has said it will engage fully with the employment tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud / Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation launched on 24 June on proposed changes to the cost control mechanism following a review by the government actuary. Following the public consultation, the government have accepted three key

proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 actuarial valuation may no longer be appropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the actuarial valuation.

Until the cost cap mechanism revision is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit costs is included in these financial statements.

Non-teaching Staff

Staff joining the School after 31 December 2010 are eligible to join a defined contribution scheme. The School doubles the employee rate up to a maximum of 15% of pensionable salary. The pension charge for the period includes contributions payable to this scheme of £463k (2019/20: £473k).

The School also operates a defined benefit scheme for its non-teaching staff who joined the School before 1 January 2011, which is known as the Westminster School Retirement Benefits Scheme (the "WSRBS").

The charge for the period, against which employer contributions have been paid over to the WSRBS Trustees, amounted to £773k (2019/20: £273k). This includes £500k for past service cost (2019/20: £nil). The employers' contribution rate is currently 26.9% (2019/20: 25.1%, as well as an additional contribution of £120k per annum which ceased in August 2020). Those service costs, together with finance costs and the actuarial gains and losses on the WSRBS for the period, are recognised in the Statement of Financial Activities in accordance with FRS 102.

The assets of the WSRBS are held separately from those of the School. The WSRBS is funded by contributions from the employees and the employer in accordance with the recommendations of an independent qualified actuary on the basis of triennial valuations. The most recent of these valuations was made on 1 August 2019.

Current legislation requires trustees to achieve a Statutory Funding Objective and to maintain contributions and investment returns at a level that ensures the scheme's liabilities are matched by its assets. The funding level as at 1 August 2019 indicated that the assets (including insured pensions), the fair value of which was then £15.718m, represented 100% of its liabilities, also including insured pensions. Having taken actuarial advice, the School agreed with the Trustees to pay contributions at 26.9% (2019/20: 25.1%) of pensionable salaries from 1 August 2020, as well as an additional recovery contribution of £10,000 per month until August 2020 only. Employee members pay 9% (2019/20: 9%).

In addition to the formal triennial valuation referred to above, annual valuations are prepared by the same independent qualified actuary principally for the purpose of preparing FRS 102 figures. In the FRS 102 valuation, the fair values of those asset classes within an Aviva with-profits fund, provided by the scheme administrator were:

	2021 £'000	2020 £'000
Equities	5,447	4,521
Gilts	1,928	2,193
Bonds	4,167	3,780
Property	1,049	1,170
Cash	109	254
Total	12,700	11,918

The assumptions having the most significant effect on the results of the FRS 102 valuation are shown below. The liabilities have been calculated using the following actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2021	2020
Rate of discount at period end	1.90%	1.50%
Expected return on scheme assets	1.50%	2.50%
Inflation (RPI)	3.50%	3.20%
Inflation (CPI)	2.80%	2.50%
Rate of increase in salaries	2.80%	2.50%
Rate of increase in pensions in payment – post August 2011	2.10%	2.10%
Rate of increase in pensions in payment – post April 1997	2.80%	2.50%
Rate of increase in pensions in payment– pre April 1997	2.80%	2.50%
Rate of increase of pensions in deferment - post 1 August 2011	2.50%	2.50%
Rate of increase of pensions in deferment - pre 1 August 2011	2.80%	2.50%
Proportion of employees opting for early retirement	0.00%	0.00%
Proportion opting for statutorily allowed pension commutation	75.00%	75.00%

The overall expected rate of return on the scheme assets is determined using the actual asset allocation of the scheme and individual expected returns for each of the asset classes. The expected return on bonds is determined by reference to the current yield on corporate bonds. The expected return on equities is taken as the current yield on gilts with an outperformance element of 2.5%.

The liabilities are determined using the projected unit method. Under the projected unit method, the current service costs will increase as the members of the scheme approach retirement.

On this basis, the calculated notional funding position in respect of the WSRBS at 30 June 2021 and at 30 June 2020 was as follows:

	30 June 2021 £'000	30 June 2020 £'000
Present value of funded obligations	(12,202)	(12,605)
Fair value of plan assets	12,700	11,918
(Deficit) / surplus	498	(687)
	30 June 2021 £'000	30 June 2020 £'000
Amounts included in the balance sheet as:		
Liabilities	-	(687)
Assets	498	-
Net (liability) / asset	498	(687)

Changes in the present value of the defined benefit obligation are as follows:

	2021 £'000	2020 £'000
Opening defined benefit obligation	12,605	10,482
Service cost - current	273	273
Service cost - past	500	-
Interest cost	189	263
Actuarial loss / (gain)	(1,089)	1,728
Employee contributions	72	86
Benefits paid	(347)	(227)
Defined benefit obligation at end of period	12,202	12,605

Changes in the fair value of the scheme assets are as follows:

	2021 £'000	2020 £'000
Opening value of scheme assets	11,918	11,211
Expected return	178	283
Actuarial gain	670	235
Employer contributions	240	361
Employee contributions	72	86
Benefits paid and expenses paid from the scheme	(378)	(258)
Fair value of the scheme assets at the period end	12,700	11,918
	£'000	£'000
The actual return on the scheme assets during the period was	848	517

In making the assessment for the purposes of FRS 102, the actuary has excluded from both assets and liabilities annuities secured in respect of pensions in payment, additional voluntary contributions (AVCs) and the insurance contract for death in service, each of which has a neutral effect on the scheme's financial position.

The amounts included within the Statement of Financial Activities are as follows:

	2021 £'000	2020 £'000
Operating charge:		
Current service (cost)	(273)	(273)
Past service cost	(500)	-
	(773)	(273)
Other finance income:		
Expected return on pension scheme assets	178	283
Interest on pension scheme liabilities	(189)	(263)
	(11)	20
Total amount (charged) within net incoming / (outgoing) resources	(784)	(253)
Actuarial gains / (losses)	1,759	(1,493)
Total amount credited /(charged) to the Statement of Financial Activities	975	(1,746)

The cumulative total of recognised actuarial gains and losses arising since 1 August 2001, from when comparative data is available, is a net actuarial gain of £1,792k. The employer expects to contribute £266k to its defined benefit scheme in 2021/22 (£282k paid in this year).

The amounts for the current and previous periods are as follows:

	2021 (Year) £'000	2020 (Year) £'000	2019 (Year) £'000	2018 (Year) £'000	2017 (Year) £'000
Defined benefit obligation	(12,202)	(12,605)	(10,483)	(9,044)	(8,532)
Scheme assets	12,700	11,918	11,211	10,025	8,820
(Liability) / surplus	498	(687)	729	981	287
Adjustment to scheme liabilities due to changes in assumptions	844	(1,763)	(718)	(94)	138
Experience adjustments on scheme liabilities	245	36	(104)	49	106
Experience adjustments on scheme assets	670	235	593	566	9

Defined benefit obligation and the value of scheme assets reported above each exclude the value of insurance policies to secure pensions in payment.

23. RELATED PARTY DISCLOSURES

The Westminster School Society ('The Society') is an independent registered charity whose objects are to raise and administer funds to support the education of pupils at Westminster School. One Council member of The Society is also a Governor of Westminster School. The principal transactions between the two charities during the year are as follows:

In 2012/13 the Society paid £2.15m to purchase a residential property from the School, which is now leased back. Rent is payable by the School to The Society for the use of residential properties amounting to £78,000 (2019/20: £78,000). The Society enjoys the benefit of office accommodation at the School for no cost. The Society paid to the School £9,194 (2019/20: £9,179) including VAT for accountancy administration. The Society made grants of £9,818 (2019/20: £7,727) for School related activities; grants in the year were lower due to the pandemic.

The Society made contributions to bursaries at the School amounting to £170,000 (2019/20: £150,000).

The Westminster School Foundation ('The Foundation') is an independent registered charity whose objects are the advancement of learning and education in particular, at Westminster School. There were no transactions between the two charities during the year (2019/20: 19,000 contributions to bursaries at the School).

Floreat Overseas Holdings Limited ('FOHL') is a trading subsidiary of the School whose objectives are to explore the opportunities for setting up overseas schools and offering consultancy services. The principal transactions between the two entities during the year are as follows:

The company owes the School £1,095,513 (2019/20: £880,215) in respect of consultancy costs, legal fees and travel expenses incurred on its behalf of which £215,298 (2019/20: £231,891) was incurred during the year. £689,081 of this debt has been provided for as a bad debt during the year.

Ben Jonson Foundation ('BJF') is a charitable incorporated organisation whose primary purpose is to provide an endowment fund for future bursary support for Westminster School. The principal transactions between the two entities during the year are as follows:

The School owed BJF £50,000 (2019/20: £nil) for donations collected on its behalf, of which £50,000 was received during the year (2019/20: £nil). The amounts will be fully settled in the forthcoming financial year.

All the amounts referred to above were settled in the year, except for FOHL and BJF, the total amount due from related parties is therefore £1,045,513 (2019/20: £880,215), of which £689,081 is provided for as a bad debt.

One of the Governors, Vicky Tuck, was a contracted consultant for RSAcademics, advising International Schools on their behalf until April 2021. RSAcademics were engaged by the School in a review of the School's Development Office during the year. Mrs Tuck did not benefit in any way from the School's engagement of RSAcademics. One of the Governors, Emily Reid, is a partner of Hogan Lovells law firm based in the London office, advising international clients. Hogan Lovells Hong Kong were engaged by FOHL to advise on the consultancy agreements with its Hong Kong business partner. Ms Reid did not benefit in any way from the School's engagement of Hogan Lovells Hong Kong.

The School received donations from Governors of £20,625 in the year (2019/20: £938).

24. POST BALANCE SHEET EVENTS

Work began in autumn 2021 on the redevelopment of the School's sports pavilion, a £3.4m project.

In November 2021 the School announced that the directors of Floreat Overseas Holdings Limited had decided to withdraw from the educational consultancy arrangements it has had with a Hong Kong-based investor who wished to operate schools in mainland China using the Westminster School name and way of learning, starting with a school in Chengdu, Sichuan. This difficult decision was reached after a series of challenges for the operator, both local and global and including the impact of the Covid-19 pandemic, which were unforeseen at the inception of the project in 2017. In 2021 a write off of £0.7m has been made in the financial statements of the School which is the irrecoverable amount arising out the cessation of trade of the subsidiary company FOHL. A bad debt provision of £0.7m has been made in the financial statements which is the likely net asset deficiency arising out the cessation of trade of the subsidiary company FOHL.

25. SUBSIDIARIES

The School owns 100% of the issued share capital of Floreat Overseas Holdings Limited ('FOHL') (company number 10421836). This company is registered in England and has their registered office at Little Dean's Yard, London, SW1P 3PF.

FOHL provided consultancy services to set up schools overseas based in the School premises. The company had a turnover of £nil (2019/20: £119,350) and loss before tax of £297,451 (2019/20: £76,000). At 30 June 2021 the company had an accumulated deficit of £689,081 (30 June 2020: accumulated deficit of £391,629). The results of this company are consolidated into these financial statements. The School continues to financially support the subsidiary for the purposes of preparing the accounts on a going concern basis.

In March 2019, the School set up a charitable incorporated organisation the Ben Jonson Foundation to provide an endowment for bursary support (charity number 1182556). The Foundation received donations of £829,949 (2019/20: £1,352,485) in the year and made a profit before tax of £778,364 (2019/20: £1,333,727). This company is registered in England and has their registered office at Little Dean's Yard, London, SW1P 3PF. The Foundation's annual statements to June 2021 show total endowment reserves of £2,845,770 (2020: £2,067,406). The results of this organisation are consolidated into these financial statements.

26. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Comparative figures breakdown by fund type

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Year ended 30 June 2020				
INCOME AND ENDOWMENTS FROM:				
<i>Charitable activities</i>				
School fees	26,267	-	-	26,267
Other educational income	1,221	-	-	1,221
Other trading activities	90	-	-	90
<i>Investments</i>	724	513	-	1,237
<i>Donations</i>	233	603	1,714	2,550
<i>Trading income</i>	119	-	-	119
<i>Other</i>	645	-	2	647
Total incoming resources	29,299	1,116	1,716	32,131
EXPENDITURE ON:				
<i>Raising funds</i>				
Fund raising	277	-	-	277
Trading costs	2	-	-	2
Finance costs of Advance Fee Scheme	27	-	-	27
Bank interest and other finance costs	770	-	-	770
Investment management	207	-	110	317
Total deductible costs	1,283	-	110	1,393
<i>Charitable activities</i>				
Schools and grant making	29,853	797	21	30,671
<i>Other</i>				
Loss on disposal of tangible fixed assets	-	-	-	-
Total expenditure	31,136	797	131	32,064
Net (expenditure)/income before gains and losses	(1,837)	319	1,585	67
Gains/(losses) on investments	-	-	876	876
NET INCOME AND CAPITAL	(1,837)	319	2,461	943
<i>Pension Scheme actuarial (losses)/gains</i>	<i>(1,492)</i>	<i>-</i>	<i>-</i>	<i>(1,492)</i>
NET MOVEMENT IN FUNDS FOR YEAR	(3,329)	319	2,461	(549)
Fund balances at start of period	67,407	757	68,099	136,263
FUND BALANCES at end of period	64,078	1,076	70,560	135,714

27. NET ASSETS OF THE GROUP FUNDS

Comparative figures for year ended 30 June 2020

The Group's net assets as at 30 June 2020 for the various funds are shown below:

	Fixed assets £'000	Investments and cash held for investment £'000	Net current Assets/ (liabilities) £'000	Long term liabilities £'000	Fund balances £'000
Endowment funds					
- Permanent	-	11,811	1,906	-	13,717
- Expendable	-	42,409	14,434	-	56,843
Restricted funds	-	659	417	-	1,076
Unrestricted funds					
- Fixed Asset Fund	88,093	-	-	(30,000)	58,093
- Other Designated	-	-	596	-	596
- General	-	6,305	446	(675)	6,076
	88,093	61,184	17,799	(30,675)	136,401
Pension reserve	-	-	-	(687)	(687)
	88,093	61,184	17,799	(31,362)	135,714

28. ENDOWMENT FUNDS: MOVEMENTS IN THE LAST ACCOUNTING YEAR

	As at 1 July 2019 £'000	Incoming resources £'000	Resources expended £'000	Investment gains and (losses) £'000	Transfers £'000	As at 30 June 2020 £'000
Permanent endowment:						
Scholarship & Bursary Fund	10,000	-	-	-	-	10,000
Trusts Fund	1,650	-	-	-	-	1,650
Ben Jonson Foundation	-	1,354	(21)	-	734	2,067
	11,650	1,354	(21)	-	734	13,717
Expendable endowment:						
Bursary and Building Fund	52,929	362	(110)	1,004	-	54,185
Ben Jonson Foundation Fund	734	-	-	-	(734)	-
Zilkha Fund	1,112	-	-	(53)	-	1,059
Gerry Ashton Memorial Fund	1,258	-	-	(58)	-	1,200
Queen's Scholars' Special Fund	416	-	-	(17)	-	399
	56,449	362	(110)	876	(734)	56,843
Total endowment funds	68,099	1,716	(131)	876	-	70,560

29. RESTRICTED FUNDS: MOVEMENTS IN THE LAST ACCOUNTING YEAR

	As at 1 July 2019 £'000	Incoming resources £'000	Resources expended £'000	As at 30 June 2020 £'000
Revenue funds:				
Scholarship and Bursary Fund	659	394	(394)	659
George Herbert Fund	-	433	(111)	322
Trusts Fund	(2)	70	(69)	(1)
Zilkha Fund	6	20	(17)	9
Gerry Ashton Memorial Fund	12	22	(28)	6
Queen's Scholars' Special Fund	35	7	(6)	36
Art Gift Fund	23	1	(3)	21
Travel Grants Fund	24	-	-	24
	757	947	(628)	1,076
External contributions to bursaries	-	169	(169)	-
	757	1,116	(797)	1,076

30. UNRESTRICTED FUNDS: MOVEMENTS IN THE LAST ACCOUNTING YEAR

	As at 1 July 2019 £'000	Incoming resources £'000	Resources expended £'000	Investment and other gains and losses £'000	Transfers £'000	As at 30 June 2020 £'000
Designated:						
George Herbert Fund	-	588	-	-	-	588
Bursary and Building Revenue	(1)	415	(406)	-	-	8
Fixed Asset Fund	66,679	-	-	-	(8,586)	58,093
General funds	-	28,277	(30,787)	-	8,586	6,076
	66,678	29,280	(31,202)	-	-	64,765
Pension reserve	729	19	57	(1,492)	-	(687)
	67,407	29,299	(31,136)	(1,492)	-	64,078

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY

OPINION

We have audited the financial statements of Westminster School (the 'Charity') and its subsidiaries ('the Group') for the year ended 30 June 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and School Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the group and the charity's affairs as at 30 June 2021 and of the group's income and receipts of endowments and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Charities Act 2011.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In light of the knowledge and understanding of the group and charity and their environment obtained in the course of the audit, we have not identified material misstatements within the Trustees' report. We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF THE TRUSTEES

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's and group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud

or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011, taxation legislation, employment legislation and general data protection legislation, together with the Charities SORP (FRS 102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material

penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing and recognition of non-fee income, procurement processes for significant capital projects and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the

financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

USE OF OUR REPORT

This report is made solely to the charity's members, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor
London

Crowe U.K. LLP is eligible for appointment as auditors of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2016.



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